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MEDICAL SERVICES INSURANCE

The submission of the

ONTARIO DIVISION

THE CANADIAN MANUFACTURERS' ASSOCIATION

to the

ONTARIO MEDICAL SERVICES INSURANCE ENQUIRY

January 9, 1964.



The Canadian Manufacturers' Association

67 YONGE STREET, TORONTO 1, ONTARIO

January 9, 1964

Dr. J. Gerald Hagey, Chairman,
and the Members,
Medical Services Insurance Enquiry,
481 University Avenue, Toronto 2.

Gentlemen:

1. The Ontario Division of The Canadian Manufacturers' Association appreciates the opportunity provided by your Committee of Enquiry to comment on Bill 163, the Medical Services Insurance Act.

The Association

2. The Canadian Manufacturers' Association is a non-profit organization of manufacturers with a membership of 6,200 extending from Newfoundland to British Columbia and has been in continuous operation for 92 years. Its purpose is to expand the economy of Canada through manufacturing. A strong manufacturing industry generates employment and a high standard of living. The Association's Ontario Division, established in 1919, comprises some 3,100 members located in this Province. It is on their behalf that these observations are made.

Bill 163 - Principle Considered Sound

3. The Association approves the principle established by Bill 163 which is designed to provide an opportunity for individuals to obtain indemnity against the cost of certain necessary medical services through the medium of private insurance. We understand that some sixty percent of the residents of Ontario now enjoy, in varying



degrees, the protection of such plans either through paying premiums themselves; with other groups; in conjunction with their employers; or because these are assumed by their employers.

4. We believe the introduction of a non-cancellable standard contract available to all is desirable in that it gives every citizen the opportunity to prepay medical expenses. We also appreciate the need for provincial and municipal governments to assume, through taxation, responsibility for the premiums of those individuals who are unable to afford this type of protection.

5. The Association feels the Government of Ontario is to be commended for proposing legislation which supplements instead of replaces, the excellent medical service insurance programmes which already enjoy widespread acceptance on the part of Ontario citizens.

Premiums - Recommendation

6. We submit that the premiums for medical insurance schemes already in effect, should not be adversely affected by this measure which is designed as a social service. We express the hope that the loss, if any, incurred by carriers due to the mandatory acceptance of higher-risk individuals under standard contracts, will not be allowed to have an adverse effect upon existing premium rates. To accomplish this, it is suggested that losses in any period be recovered by adjustment of future premiums for "standard contracts" as defined in Section 1 (o) and (p) of the Bill.

7. In support of this recommendation, may we point out that many employers assume some or all of the cost of premiums on behalf of their employees for medical services insurance. This is one of

the basic costs of manufacturing. At this time, when manufacturers are making every effort to remain competitive, it is imperative to avoid imposing on industry, further fixed charges which will tend to increase costs and so make Ontario manufacturers less competitive.

Employer Participation

8. In this connection, the Enquiry may be interested in the results of a survey of members of the Association in Ontario, conducted in 1959. This indicated that of 1,497 manufacturers who participated in the survey, 1,292 or 86% had plans which provide Group Medical and Surgical Coverage. Of these 1,193 companies contributed towards the cost of this coverage. Only 76 firms contributed less than 50% of the cost.

Enrolment and Publicity


9. We consider it important that every reasonable effort be made by carriers and the Government to see that access to such insurance by the public is made as simple as possible. Obviously, of those not yet covered by medical insurance, some will be better insurance "risks", so-called, than will others. To ease the pressure on costs, it would appear advisable to enroll as many people as early as possible. We would, therefore, favour a reasonably long initial enrolment period and an intensive educational campaign, sponsored by the Government in conjunction with Medical Carriers Incorporated.

10. If the experience in the demand for hospital accommodation since the introduction of Ontario Hospital Insurance is any criterion, a considerable strain on medical facilities as the covered area broadens can be expected. Therefore, we would like to see "standard contract" claims administered as simply as possible.

11. Please be assured that the Ontario Division of the Association is anxious to extend its co-operation in assisting your Enquiry.

Yours very truly,

D. G. Willmot,
Chairman, Ontario Division.



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